


**(7005) Colorado Oil Shale Facility  
Severance Tax Return**

Taxable year beginning \_\_\_\_\_, 20 \_\_\_\_ Ending \_\_\_\_\_, 20 \_\_\_\_

|  |       |                |  |    |
|--|-------|----------------|--|----|
| Name   |       |                | Colorado Account Number  |    |
| Address  |       |                | Federal Employer ID Number   |    |
| City   | State | ZIP            | Telephone Number<br>(     )  |    |
| Name of facility as identified with the Colorado Department of Natural Resources   |       |                |  |    |
| County or counties in which operation is located   |       |                |  |    |
| If this is a final return, check this box. <input type="checkbox"/>  |       |                |  |    |
|  |       |                | ROUND TO THE NEAREST DOLLAR  |    |
| 1. Total sales price of shale oil.....   |       |                | • 1  | 00 |
| <b>Less direct and indirect expenditures for:</b>  |       |                |  |    |
| 2. Equipment and machinery.....  |       |                | • 2  | 00 |
| 3. Fragmenting, crushing, conveying, beneficiating, pyrolysis,<br>retorting, refining and transporting .....   |       |                | • 3  | 00 |
| 4. Royalty payments .....  |       |                | • 4  | 00 |
| 5. Total of lines 2, 3 and 4.....  |       |                | 5  | 00 |
| 6. Gross Proceeds, line 1 minus line 5.....  |       |                | 6  | 00 |
| 7. Enter the sales price of shale oil from the production of the first 15,000 tons<br>per day of oil shale or 10,000 barrels per day of shale oil, whichever is greater .....  |       |                | • 7  | 00 |
| 8. Taxable Gross Proceeds, line 6 minus line 7.....  |       |                | • 8  | 00 |
| 9. Tax on Taxable Gross Proceeds. Use the tax rate schedule in the instructions .....  |       |                | • 9  | 00 |
| 10. Impact assistance credit.....  |       |                | • 10   | 00 |
| 11. Net tax, line 9 minus line 10 but not less than zero .....   |       |                | • 11   | 00 |
| 12. Estimated tax and extension payments.....  |       |                | • 12   | 00 |
| 13. If line 12 is larger than line 11, enter your overpayment.....   |       |                | 13   | 00 |
| 14. Enter amount from 13 you want refunded .....   |       |                | • 14   | 00 |
|   |       | Routing number | Type: <input type="checkbox"/> Checking <input type="checkbox"/> Savings |    |
|  |       | Account number |  |    |
| 15. Enter amount from line 13 if any, that you want credited to estimated tax for next year.....   |       |                | • 15   | 00 |
| 16. If line 11 is larger than line 12, enter the balance of tax due .....  |       |                | • 16   | 00 |
| 17. Interest on balance of tax due .....   |       |                | • 17   | 00 |
| 18. Penalty on balance of tax due.....   |       |                | • 18   | 00 |
| 19. Estimated tax penalty due.....   |       |                | • 19   | 00 |
| 20. Total amount due, add lines 16 through 19.....   |       |                | • 20   | 00 |
| <small>The State may convert your check to a one time electronic banking transaction. Your bank account may be debited as early as the same day received by the State. If converted, your check will not be returned. If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your bank account electronically.</small> |       |                |  |    |
| Under penalty of perjury in the second degree, I declare that I have examined this return and to the best of my knowledge and belief it is true, correct, and complete.  |       |                | Name, address and telephone number of person preparing return:           |    |
| Signature of Taxpayer or Corporate Officer   |       | Date           |  |    |
| <b>MAIL TO AND MAKE CHECKS PAYABLE TO:</b> Colorado Department of Revenue<br>Denver, CO 80261-0007   |       |                |  |    |

# Instructions For Colorado Oil Shale Facility Severance Tax Return—DR 0020E

## Taxpayer

The Oil Shale Facility Severance Tax is levied against every person engaged in the severance of oil shale. It is levied at the rate below on the gross proceeds from each commercial oil shale facility.

## Filing Requirements

Every individual, corporation, business trust, partner in a partnership, association, estate, trust or any other legal entity liable for the payment of Colorado severance tax must file a severance tax return. This return must be made for the same tax year used for federal income tax purposes and is due on or before the 15th day of the fourth month following the end of the taxable year.

## Controlled Group

In case of a controlled group of corporations as defined in section 613A of the Internal Revenue Code or of a family (man, woman and minor children) where more than one member of the group or family are subject to the severance tax, the tax must be jointly computed and the severance tax return must be jointly filed under the name of the principal taxpaying corporation, the married couple or the single adult. The DR 0021AS, available upon request from the Department of Revenue, must be attached in the case of a controlled group of corporations.

## Tax Rate

The tax is assessed on the gross proceeds from each commercial oil shale facility at the following rates:

|  |     |
|--|-----|
| The first 180 days following the commencement of commercial production | 0 % |
| The first year following   | 1 % |
| The second year following  | 2 % |
| The third year following   | 3 % |
| The fourth year and each succeeding year following                     | 4 % |

Gross proceeds means the value of the oil shale at the point of severance. Such value shall be determined by deducting from the first sales price of the shale oil all costs, including direct and indirect expenditures, for:

- (a) equipment and machinery;
- (b) fragmenting, crushing, conveying, beneficiating, pyrolysis, retorting, refining and transporting; and
- (c) royalty payments.

Gross proceeds from the sale of oil shale severed from which shale oil has not been extracted will be computed on first sales price as determined in the paragraph above. Gross proceeds from the sale of shale oil where such is processed by a centralized facility will be determined in the same manner. Direct and indirect expenditures of processing oil shale after mining are to be applied on the basis of generally accepted accounting principles for any given period. Excess cost of one taxable year cannot be applied to another taxable year.

Commercial production means production in excess of the first 15,000 tons per day of oil shale or 10,000 barrels per day of shale oil, whichever is greater. The calculation of the daily production shall be determined by dividing the total production of a calendar month by the total number of days in such month.

## Exemption

The production of the first 15,000 tons per day of oil shale or 10,000 barrels per day of oil shale, whichever is greater, shall be exempt from the tax. The calculation of the daily production subject to the tax and to the exemption shall be determined by dividing the total production of a calendar month by the total number of days in such month.

## Impact Assistance Credit

A credit against the severance tax is allowed with respect to contributions of property or money to units of local government. The amount of the credit must be certified by the executive director of the Department of Local Affairs.

## Estimated Tax

Every corporation subject to Colorado severance tax must file a declaration of estimated tax, DR 0021PE, if its severance tax liability for the current tax year can reasonably be expected to exceed its Colorado severance tax credits by \$5,000 or more.

## Interest and penalty

If the return is filed after the due date, interest at the current statutory rate is due on any balance of tax due until paid. A penalty of the larger of \$30 or 30% of the balance of tax due is due on any delinquent return. A corporation that underpays its estimated tax may owe an estimated tax penalty.

## Direct Deposit

The department can deposit your refund directly into your account at a U.S. bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) in the United States.

## Extension of Time for Filing

An automatic six-month extension of time for filing the severance tax return is allowed. This form is an extension of time for filing your severance tax return, not an extension of time for paying your tax. If you owe additional tax, use the DR 0021SE to submit an extension payment.

## Amended Return

If you find it necessary to amend your Colorado severance tax return, you are required to file a DR 0020EX.

## Information

Forms and additional information can be accessed on the Web site at [www.TaxColorado.com](http://www.TaxColorado.com) or by telephone at 303-238-SERV (7378).